

RESOLUTIONS OF THE BOARD OF DIRECTORS  
OF SAN DIEGO DATA PROCESSING CORPORATION, INC.  
REGARDING WINDING-UP AND DISSOLUTION

WHEREAS, the members of the Board of Directors ("Board") of San Diego Data Processing Corporation, Inc., a California nonprofit benefit corporation ("Corporation") have determined that it is the best interests of this Corporation to: (i) elect to wind-up and voluntarily dissolve this Corporation in accordance with Section 6610 et seq. of the California Corporations Code; (ii) designate the City of San Diego, a municipal corporation and the Sole Statutory Member of the Corporation, ("City") as the distributee of the assets of this Corporation remaining after this Corporation has paid its known debts and liabilities to the extent its assets permit; and (iii) designate the City as the custodian of the Corporation's records after wind-up and dissolution.

NOW, THEREFORE, IT IS RESOLVED:

1. That the dissolution of this Corporation in accordance with the resolutions set forth herein is hereby approved, contingent upon the approval of these resolutions by the City as the Corporation's Sole Statutory Member.
2. That the officers of this Corporation are authorized and directed to mail or cause to be mailed promptly to all known creditors of this Corporation, if any, and to all known persons having claims against this Corporation, if any, whose addresses appear on the records of this Corporation, and to the California Attorney General, written notice of the commencement of proceedings to wind up and dissolve the Corporation, as required by Section 6613(c) of the California Corporations Code.
3. That the officers of the Corporation shall wind up the Corporation's operational affairs, which shall include the termination or mutually agreed upon assignment to the City of any of the Corporation's outstanding contracts, including vendor contracts, contracts to provide services to third parties, and leases.
4. That this Board shall adopt retirement plan amendment resolutions ending the Corporation's retirement plans ("Plans") and discontinuing funding of the Plans effective on or before the date of final dissolution of the Corporation, and shall adopt a resolution allowing the Corporation to recover moneys in the Corporation's Forfeiture Account with Fidelity Investments.
5. That the officers of the Corporation shall work with Fidelity Investments to notify Plan participants, wrap up the Plans and Fidelity contracts, distribute Plan assets on or before the date of final dissolution of the Corporation, and locate nonresponsive Plan participants and force out/ rollover balances as necessary.

6. That the officers of the Corporation shall work with the Corporation's voluntary disability insurance provider to close and convert the Corporation's voluntary disability insurance plan, as necessary.
7. That the Corporation's obligations to provide COBRA continuation coverage to qualified beneficiaries after dissolution will pass to the City after the termination of the Corporation's health plans at the time of dissolution, and City shall discharge any such legal obligations to qualified beneficiaries.
8. That the officers of the Corporation shall pay or provide for all other remaining liabilities of the Corporation.
9. That the officers of the Corporation shall pay the following estimated expenses on behalf of the Corporation:

Category	Estimate	Description
<b>Insurance</b>  <i>Directors and Officers liability Insurance provider to be selected</i>	\$390,000	Estimated cost of Directors & Officers and Errors & Omissions liability insurance tail coverage policies
<b>Legal Fees</b>  <i>Procopio, Cory, Hargreaves &amp; Savitch LLP 530 B Street, Suite 2200 San Diego, CA 92101</i>  <i>Foley &amp; Lardner LLP 402 W. Broadway, Suite 2100 San Diego, CA 92101</i>  <i>Paul, Hastings, Janofsky &amp; Walker LLP 695 Town Center Drive, Suite 1700 Costa Mesa, CA 92626</i>	\$100,000	Estimated legal fees associated with winding up and dissolution of Corporation, closure of retirement plans and distributions
<b>Accountant</b>  <i>Macias Gini &amp; O'Connell LLP 225 Broadway, Suite 1750 San Diego, CA 92101</i>	\$47,000	Estimated accounting fees associated with winding up and dissolution of Corporation
<b>Document Storage</b>  <i>Iron Mountain P.O. Box 601002 Pasadena, CA 91189</i>	\$12,000	Estimated cost for six months of continued document storage expenses prior to complete transfer to City as custodian
<b>Facilities Costs</b>	\$608,000	Estimated expenses for leased space, utilities, janitorial,

		maintenance and other services associated with Corporation-owned real property from date of commencement of dissolution process to final dissolution
Transition of Data Center Operations to City Vendor	\$178,000	Estimated expenses for data center support activities, including technical consulting and services required to keep operations functional through final vendor transition
Internal Systems	\$212,000	Estimated expenses for internal desktop, network, server and web site support activities, including technical consulting and services, required for maintaining internal tools, systems and connectivity prior to final transition
Internal Business and Financial Support	\$72,000	Estimated expenses for internal business and financial systems support activities, including technical consulting and services required for posting transactions, generating reports and distributing assets
Employee Group 1: employees required for transition and shut-down of technical (data center) operations (37 employees for 2 months)	\$672,000	Estimated compensation and benefits from date of commencement of dissolution process to date of termination of employment
Employee Group 2: employees required for business operations shut-down and fiscal year-end audit (8 employees for 5 months)	\$383,000	Estimated compensation and benefits from date of commencement of dissolution process to date of termination of employment
Employee Group 3: employees required for shut-down of operations, asset distribution, and activities to wind-up and dissolve Corporation (5 employees for 8 months)	\$603,000	Estimated compensation and benefits from date of commencement of dissolution process to date of termination of employment

10. That after the known debts and liabilities of this Corporation have been paid to the extent of this Corporation's assets, the proper officers of this Corporation are hereby authorized to distribute this Corporation's remaining assets and receivables to the City, provided however, that the officers of this Corporation shall provide or cause to be provided notice of such distribution to the California Attorney General at least twenty (20) days in advance of the distribution in accordance with Section 5913 of the California Corporations Code, and that such distribution shall be made only after the Corporation receives from the Attorney General a formal, written acknowledgment of receipt of the Statutory Notice that the State does not object to the distribution or require any further action by the Corporation. An itemized list of the Corporation's anticipated remaining assets and receivables after the payment of its known debts, liabilities and expenses is set forth in Exhibit A.
11. That upon final dissolution of the Corporation, the Corporation's officers and directors will be indemnified and held harmless by the City against any and all claims, demands, liabilities, obligations, losses and expenses, including reasonable attorneys' fees, arising from events, acts or omissions related to the Corporation not otherwise covered by the Corporation's own insurance. The City shall agree to be substituted for and assume all obligations of the Corporation under any contracts mutually agreed upon assigned to the City as part of the wind-up of the Corporation's operational affairs, and the City further agrees to perform for the benefit of Corporation and any and all third parties to which Corporation is liable any obligation under any such mutually agreed upon contract transferred to the City.
12. That the officers of this Corporation are authorized and directed to file a Certificate of Election to Wind Up and Dissolve with the California Secretary of State, and to file a copy thereof with the California Attorney General, evidencing the Corporation's election to wind up and dissolve, in accordance with Section 6611 of the California Corporations Code.
13. That the City shall be designated as the custodian of the Corporation's records to comply with all applicable retention requirements, and the officers of this Corporation shall work with the City to transfer records to the appropriate City personnel prior to final wind-up and dissolution of this Corporation.
14. That the actions necessary for carrying out the dissolution of the Corporation shall be commenced as soon as practicable after approval of these resolutions by the City as the Corporation's Sole Statutory Member, and the dissolution shall be completed as soon as practicable.
15. That this Corporation's officers and directors are authorized to do or cause to be done all other acts which are deemed necessary to effectuate and to consummate the voluntary dissolution of this Corporation.

I, CHRISTOPHER GOODMAN do hereby certify that the foregoing is a true and correct copy of the resolutions that were duly adopted by the Board of Directors of San Diego Data Processing Corporation at meeting thereof duly called, noticed and held on May 2, 2013, and that it was so adopted by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTENTIONS: 0

Christopher H. Goodman

\_\_\_\_\_, Secretary CHAIR

## Exhibit A

Exhibit A

Description of Assets	Value	Method of Valuation	Distributee
Cash on deposit at Bank of the West, San Diego, CA	\$6,400,000	Anticipated value after payment of liabilities and expenses	City of San Diego
Lease deposit held by Civic Center Associates, LLC for 2,825 rentable SF at 1200 Third Avenue, Suite 400, San Diego, CA 92101	\$3,836.80	Carrying value as of March 31, 2013	City of San Diego
Land, building and building improvements located at 5975 Santa Fe Street, San Diego, CA 92109	\$4,200,000	Market value per appraisal as of December 31, 2010	City of San Diego
Land, building and building improvements located at 5965 Santa Fe Street, San Diego, CA 92109	\$3,850,000	Market value per appraisal as of December 31, 2010	City of San Diego
Telecom equipment (PBX, routers, switches, cabling) at HQ location (5975 & 5965 Santa Fe Street)	\$740,186	Carrying value as of March 31, 2013	City of San Diego
Telecom equipment (PBX, routers, switches, cabling) at various City of San Diego premises locations	\$701,213	Carrying value as of March 31, 2013	City of San Diego
Data center computer hardware (servers, data storage/security) at HQ location (5975 & 5965 Santa Fe Street)	\$180,032	Carrying value as of March 31, 2013	City of San Diego
Data center computer hardware (servers, data storage/security) at various City of San Diego premises locations	\$53,288	Carrying value as of March 31, 2013	City of San Diego
Data center computer software (database, data storage/security, system backups) at HQ location (5975 & 5965 Santa Fe Street)	\$66,426	Carrying value as of March 31, 2013	City of San Diego